

- Last night, AIG's Board of Directors approved a transaction with the Federal Reserve Bank of New York to provide a 24-month liquidity facility to AIG in the amount of \$85 billion. Access to this facility will allow the parent company, AIG, to address its immediate liquidity needs, which is clearly a positive development for policyholders, brokers, employees and shareholders.
- In connection with this transaction, the Federal government will receive a 79.9 percent equity interest in AIG.
- In addition, AIG Chairman and Chief Executive Officer, Robert Willumstad, has resigned his position with AIG. Edward M. Liddy, former Chairman of the Allstate Corporation, has been named AIG's new Chief Executive Officer.
- Although the New York and Pennsylvania insurance departments were prepared to allow AIG to exchange certain liquid investment holdings of the insurance companies for high-valued, less liquid holdings of the parent company, this transaction was not necessary. The regulators' consideration of this option demonstrates their confidence in the financial strength of AIGCI's subsidiaries.
- The Federal government's willingness to act highlights AIG's critical role in the global financial markets.

Here are some additional facts that you should know:

- It is important to remember that AIGCI's subsidiaries, including Lexington, National Union and American Home, continue to be well capitalized with statutory surplus of \$26.7 billion and invested assets exceeding \$70 billion.
- AIGCI has ample resources to pay policyholder claims, paying \$73 million in claims every single day.
- AIGCI's statutory surplus has grown over 50% since 2005 to \$26.7 billion, exceeding the total shareholders' equity of all domestic commercial insurance holding companies.
- AIGCI's Net Written Premium to Surplus Ratio, a key indicator of the amount of leverage of a property casualty organization is <1.0 with total NWP of \$12.7 billion compared to policyholder surplus of \$26.7 billion at the period ending June 30, 2008.
- AIGCI's financial strength ratings are excellent and higher than many commercial insurance companies.

If you have any questions, please do not hesitate to contact an AIG Commercial Insurance representative.

AIG Commercial Insurance companies include: AIG Casualty Company, American Home Assurance Company, American International South Insurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Illinois National Insurance Co., National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania, AIG Excess Liability Insurance Company Ltd., American International Specialty Lines Insurance Company, Landmark Insurance Company and Lexington Insurance Company.

AIG Commercial Insurance is the marketing name for the domestic commercial property casualty insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products are written by insurance company subsidiaries of AIG Commercial Insurance Group, Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties.